



# U.S. Export Assistance Center

600 Superior Ave, Suite 700 Cleveland, OH 44114

## CADIZ, OHIO CLIENT MEETS POLISH PROSPECTS VIA VIDEO CONFERENCE

In January, the Cleveland US Export Assistance Center (USEAC) teamed up with its rural International Trade Assistance Center (ITAC) partners for a two-day Video Gold Key Service (GKS) with the Commercial Service (CS) post in Warsaw.

WC Cardinal, of Cadiz, is a manufacturer of industrial storage rack systems and is one of Cadiz' largest employers. The USEAC client was making its first attempt to actively export its products. WC Cardinal President, Harry "Chip" Higgins, met each of four Polish companies during one-hour appointments.

"This (CS Video GKS) is an ideal way for our company to meet with prospective partners prior to investing a large amount of resources into an overseas trip," said Mr. Higgins. "I was very impressed with the quality of potential candidates and with the Commercial Service's assistance with all aspects of the project — from finding partners, to scheduling the meetings, to assistance with translation, to technical expertise, to basic 'tips' while on camera."

CS Warsaw included WC Cardinal's web site and product information on its own web site, and featured WC Cardinal as "Company of the Week." Warsaw will keep the company's information posted until a Polish partner is identified.

Mr. Higgins currently is in the process of following up his conversations with all of the Polish companies to identify which would be the best fit.

Representatives Bruce Hord and Mike Helm of the Central Ohio ITAC were the "export educators" for WC Cardinal and accompanied him to the video conference in Cleveland.

## WWW.BUYUSA.COM ENHANCED CATALOG OPTION

The BuyUSA.com electronic marketplace developed in partnership between the US Department of Commerce (USDOC) and IBM Corporation continues to offer enhanced capabilities. IBM provides the software know-how, and the USDOC utilizes its worldwide network to assure participation of legitimate buyers and sellers. To date, over 17,000 verified foreign buyers and nearly 1,800 US exporters have already signed up and are making deals.

BuyUSA.com now takes international marketing a step further with its new Enhanced Catalogs. U.S. companies can transform their printed product materials into online, searchable catalogs complete with a unique URL.

Putting paper catalogs online can be costly — each product must be searchable by name and number and should show a graphic image. BuyUSA.com's Enhanced Catalogs solve this problem by creating online catalogs with all of these features, as well as your company's own branding and logos, at an affordable price.

## ARGENTINA PAYMENT CONCERNS?

The U.S. Commercial Service (CS) in Buenos Aires is creating a new stream of reports to help U.S. exporters navigate their way through an ex-

tremely fluid financial and economic situation in Argentina. The main focus is the payments process for Argentine imports. In addition to posting these reports through USATrade.gov and BuyUSA.com, CS Buenos Aires is now posting them on its website: ([www.comerciousa.org/argentina](http://www.comerciousa.org/argentina).) On this site, the information can be updated daily and even hourly. It also provides important attachments and other links to facilitate an understanding of the new government measures. To access the information, click on the banner, "Information for U.S. Exporters/Argentina Economic Crisis."

**Latest:** On February 3, the Argentine Government abolished the 3- week-old official exchange rate. This means that future payments for imports will no longer be at a US\$1 to 1.4 Argentine pesos rate, but rather at the floating rate which as of close of business on February 12, 2002 was trading at US\$1 to 1.90 – 2.00 Argentine pesos. Pending the issuance of new regulations, a foreign exchange and banking holiday is in place.

## NEW EUROPEAN UNION (EU) DIRECTIVES

**Noise Emission** - A new directive covering noise emission levels for equipment used outdoors went into effect January 3, 2002. Manufacturers will have to apply two marks: the CE Mark and the guaranteed sound power level (maximum noise output). The second mark consists of a pictogram, the letters "LWA" and the value in decibels. Both marks must be on equipment entering the EU.

Two lists of equipment are referred to in Art. 12 and 13 of the directive.

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Equipment in one list requires a "notified body" (accredited testing laboratory), while self-certification by the manufacturer is sufficient for equipment on the second list. Equipment definitions, references to standards, and additional requirements by type of equipment are listed in the annexes to the directive.

For equipment subject to other CE Mark directives, such as machinery, electromagnetic compatibility, or others, applying the CE Mark signifies compliance with all pertinent directives.

Full text of the directives is on the following website:  
[http://europa.eu.int/eur-lex/en/lif/dat/2000/en\\_300L0014.html](http://europa.eu.int/eur-lex/en/lif/dat/2000/en_300L0014.html). A list of notified bodies (some have U.S. affiliates) can be found on:  
<http://europa.eu.int/comm/enterprise/newapproach/legislation/nb/en2000-14-ec.pdf>.

**Consumer Product Warranty** - Under an EU law effective January 1, 2002, sellers of consumer goods are required to offer a warranty of at least two years from the delivery of goods. Sellers whose products are found not to conform to the "contract" between the buyer and seller at the time the goods were delivered are required to replace or repair the nonconforming goods free of charge, reduce the price of the goods, or release the consumer from the "contract."

## NEW! 2002 EDITIONS OF SCHEDULE B & TARIFF SCHEDULE OF THE U.S.

The U.S. Department of Commerce has announced release of the *2002 Edition of Schedule B: Statistical Classification of Domestic and Foreign Commodities Exported from the U.S.* "Schedule B" contains approximately 1,000 NEW 10-digit commodity classifications, restructured chapters, revised chapter notes, and an updated six-digit alphabetic index, based on amendments to

the Harmonized System (HS). "Schedule B" is used by shippers in reporting export shipments from the United States and by the Census Bureau in compiling official statistics on exports of merchandise from the United States.

Exporters will want to make sure that their product classifications are current. The new edition can be searched at the U.S. Census Bureau website:  
[www.census.gov/foreign-trade](http://www.census.gov/foreign-trade).

*Harmonized Tariff Schedule of the United States, Annotated (HTUSA)* is issued by the International Trade Commission, and reflects the same HS amendments referred to above, relating to imports into the U.S. and the applicable duty rates: [www.usitc.gov](http://www.usitc.gov).

## AUTOMATED EXPORT SYSTEM (AES) FILING NOW MANDATORY FOR "CCL" & "ML" ITEMS

Are any of your company's products listed on either the Commerce Control List (CCL) of the Export Administration Regulations (EAR) or the United States Munitions List (USML) of defense-related items maintained by the U.S. Department of State? If so, effective March 2002, you or your agent will need to file relevant Shipper's Export Declarations (SED) electronically, using the Automated Export System (AES), whether or not the export of your product requires an export license.

The new rule was announced in the Federal Register of July 26, 2001. The exact effective date in March will be specified (also in the Federal Register) when appropriate regulations are published.

NOTE: The Automated Export System (AES) is the electronic equivalent of the Shipper's Export Declaration (SED) and is gaining popularity with exporters over the paper form. U.S. Census Bureau has online details at [www.census.gov/foreign-trade](http://www.census.gov/foreign-trade) as well as [www.aesdirect.gov](http://www.aesdirect.gov). Exporters can also call Foreign Trade Division at

Census at 800-549-0595.

## EXPORT FINANCING SOLUTIONS FOR SMALL COMPANIES

Has your company ever turned down an export sale due to a lack of working capital? Does your company need funding to support market penetration strategies? Are you wondering how to fund a promising trade mission overseas? The U.S. Small Business Administration (SBA) can help. SBA is committed to providing small business owners with access to the capital necessary to export their goods and services.

The SBA "Export Express" program helps small businesses by guaranteeing a bank loan up to a \$150,000 where the loan proceeds will enable a company to start, sustain or increase their export sales volume. Loan proceeds can be used by a business to cover the initial costs of entering an export market, to buy or produce goods, and/or to provide services, for export. Loan proceeds may be used for most business purposes that will support export

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activity; including expansion, real estate acquisitions, equipment purchases, inventory, and working capital (including participation in overseas trade shows, standards certifications and modifications of a company's website to accommodate export transactions).

The "Export Working Capital Program" (EWCP) provides lenders with a guaranty of \$1 Million or 90 percent of the loan amount, whichever is less, on short-term working capital loans to small business exporters. This is transaction-backed financing, and can be used for a single export transaction or as a revolving line of credit and usually has a term of 12 months or less. Loan proceeds can be used for labor and material, to acquire product for export or to support a standby Letter of Credit when required as a bid or performance bond.

For more information about SBA export loan programs, contact Patrick Hayes on 216-522-4731.

### CHINA & TAIWAN BECOME WTO MEMBERS

**China** - China formally became a WTO member on December 11, 2001, assuring that its trading practices will adhere to the rules-based trading system that has been established by virtually universal agreement among the trading nations. Moreover, on December 27, 2001, President Bush signed a proclamation granting permanent normal trading relations (PNTR) status to the People's Republic of China, which went into effect January 1, 2002.

As reported in the February 2002 issue of *Export America*, these steps mark the completion of more than a decade of bilateral and multilateral negotiations, and the beginning of a process of working constructively with China to help it fully implement its commitments to trade liberalization.

When assessing prospects for exporting to China, U.S. companies can begin with the "Best Prospects" list from the US Commercial Service's "*Country Commercial Guide for China FY 2002*", as follows:

1. Telecommunications Equipment - 2. Oil and Gas - 3. Medical Equipment - 4. Pharmaceuticals - 5. Audio-Visual Equipment - 6. Pollution Control Equipment - 7. Insurance Industry - 8. Airport & Ground Support Equipment - 9. Computers & Peripherals - 10. Building/Decorating Materials - 11. Computer Software - 12. Education & Training - 13. Plastic Materials and Resins - 14. Agricultural Chemicals.

For an upcoming local seminar on China, see the Events Calendar on p.4.

**Taiwan** - Taiwan became the 144<sup>th</sup> member of the World Trade Organization on January 1, 2002. Taiwan will enter the WTO as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, or "Chinese Taipei."

*Export America* cites Taiwan as the world's 16<sup>th</sup> largest economy, with worldwide trade of \$288 billion in 2000.

Taiwan will have to eliminate many existing non-tariff barriers and trade-distorting measures such as certain types of subsidies, as well as meeting a higher standard for protection of intellectual property rights. However, it is noted that Taiwan's markets are already more open than many others in the region, and that the legislature enacted or amended 52 laws to bring the country into conformity with the WTO agreements.

### VIDEO CONFERENCE ON THE NEW RUSSIA A POSSIBILITY

The Commercial Service (CS) Russia is launching a series of video conferences for U.S. businesses to discuss the market potential as the Russian economy shows favorable trends. If

northern Ohio interest is sufficient, we will arrange to have Cleveland link-up with one of the scheduled conferences. We need to hear from you to make it happen, with company and individual name, address, etc. Fax USEAC at (216)522-2235 or email [Susan.Whitney@mail.doc.gov](mailto:Susan.Whitney@mail.doc.gov).

### CURRENT INTERNATIONAL MARKET INSIGHTS (IMI)

IMIs are topical & brief reports on subjects likely to be of great interest to U.S. exporters. Following are summaries of selected IMIs from our Western Hemisphere posts. For the full text of these IMIs, or for other IMIs in your industry, contact us or log onto:

[www.usatrade.gov](http://www.usatrade.gov) and [www.buyUSA.com](http://www.buyUSA.com).

**Canada** - The U.S. Commercial Service in Toronto reports that the **Electronic Transactions Act** received approval in Alberta on November 29, 2001. With this latest approval, all Canadian jurisdictions, except the Northwest Territories and Nunavut, will have passed similar legislation. U.S. companies that wish to do business electronically in Canada should be aware that electronic signatures and records now have the same legal status as their paper-based counterparts. (IMI 12/16)

**Panama** - With a population of about 2.8 million, and 460,000 vehicles, Panama has the highest per capita car population in Central America. The economy has experienced a significant slowdown in the last two years and new car sales dropped from 34,000 in 1999 to 21,000 in 2000 and are not expected to top 14,000 in 2001. Toyota, Nissan, Mitsubishi and Hyundai continue to lead new car sales while all U.S. brands combined account for seven percent of the market. There were 6,000 used vehicles imported in 2000, mostly from the U.S. There is a large demand for **automotive parts** as road conditions deteriorate and the average vehicle age increases. (IMI 11/24)



**Chile** - The Chilean market for **machine tools** in 2000 was estimated at US\$50 million, of which imports accounted for two-thirds. Chile's imports of machine tools from the United States in 2000 were US\$7.3 million. The U.S. is Chile's largest single international supplier of machine tools, supplying on average 25% of all such imports. (IMI 10/4)

**Venezuela** - The development of the **franchising industry** had a slow start about 15 years ago but began to boom around 1997. While there were only about 50 franchise operations before 1997, this number has increased to over 190, with over 1500 stores and close to 1500 employees. In Latin America, only Mexico and Brazil have more franchise operations. Annual growth has been, and is expected to continue, at about 20%. While there is competition from European franchisers, and a growing appearance of Venezuelan operations, U.S.-based franchises have about 60% of the total market. Interest in U.S. franchises continues to be high, and access to this growing market is relatively uncomplicated. (IMI 9/27)

## EVENTS CALENDAR

### Email-Based Events Calendar

As a service to the regional business community, the Northern Ohio District Export Council, in cooperation with the Cleveland USEAC, has created an email-based local events calendar where organizations list their upcoming events for the benefit of the area's companies. To stay "in the loop" of what is going on, simply visit [www.northernohiodoc.com](http://www.northernohiodoc.com) and submit your e-mail address.

### Local & U.S. Venues

#### March 12: International Business Regulation Since September 11

*An executive workshop presented by Porter, Wright, Morris & Arthur LLP*  
Co-Sponsored by USEAC & WTCC.  
**Topics:** Export Controls & Country Sanctions; Customs & Import Regula-

tions; Immigration; Money Laundering. Where: Metropolitan Club, 21. Floor, Huntington Bldg., Cleveland. 8am to noon. No charge. Call 216/443-2546.

#### March 18-20: Latin American & Caribbean Opportunities Conference

Sponsored by: U.S. Trade & Development Agency. Location: Washington, DC. Showcasing 60 projects in the transportation, environment and IT sectors funded by Multilateral Development Banks (DB). Meet key MDB task managers and project sponsors. Call Tom Roberts at 949.863.1331 or email: [pacific-genesis@pginside.com](mailto:pacific-genesis@pginside.com).

#### March 21: Export Management-Export Documentation & Procedures

Sponsored by Ohio Foreign Commerce Association (OFAC). Co-sponsors: WIT-NEO, NODEC and IMA (E Cleveland). Presenter: Catherine E. Thornberry PLACE: Lakeland Community College, Kirtland, OH. 8am-5pm. \$249. Call (800) 859.8520.

#### March 22: Business Opportunities in Turkey Conference

Sponsored by: Appalachian-Turkish Trade Project and U.S. Commercial Service, with the Support of Sen. Wm. Byrd. Meet with U.S. & Turkish Government Officials, and Turkish Business Representatives. Location: Sheraton Station Square Hotel, 7 Station Square Dr, Pittsburgh, PA 8:30am-3:30pm. \$50. Call: 412-395-5050 or log-on to [www.attp2.com](http://www.attp2.com).

**April 9-10: Asia/Pacific Midwest Business Conference** Meet Senior Commercial Officers and Commercial Specialists from the region. Where: Rosemont Conference Ctr, Rosemont, IL. Sponsors: Chicago USEAC and Illinois District Export Council. \$150. Call Chicago USEAC: (312)353-8040.

#### April 17: CHINA - WTO Ascension, Economic Trends & Culture

Sponsors: Women in International Trade - NE Ohio (WIT-NEO) & Baldwin Wallace College (BW). Place: Baldwin Wallace Strosacker

College Union, Sandstone 3 Conf. Rm, 130 E. Grand St., Berea, OH. \$25 incl. continental brkfst & parking. Make checks payable to WIT-NEO c/o Marcia Brandstadt, USEAC, 600 Superior Ave.E, #700, Cleveland OH 44114 or call (216)522-4732 or email: [marcia.brandstadt@mail.doc.gov](mailto:marcia.brandstadt@mail.doc.gov).

**June 2002 (tent.): SE Ohio Exporting Conference.** How to tap profitable markets abroad. Place: Prichard-Laughland Conference Center. For more information please contact TS Marcia Brandstadt at (216)522-4732 or [marcia.brandstadt@mail.doc.gov](mailto:marcia.brandstadt@mail.doc.gov).

#### Summer 2002 (TBD): Bio-Tech Trade Mission from Israel

Call Cleveland USEAC at 216/522-4750 for further information.

### Events Abroad

#### REPFIND:

**Vancouver** - April 15-16

**Monterrey-Guadalajara** - April 22-26  
Deadline is March 7!

#### March 13: GLOBE 2002 - Environmental Trade Fair & Conference

Vancouver, BC. Contact: CS Specialist Cheryl Schell at (604) 642-6679 or email: [Cheryl.schell@mail.doc.gov](mailto:Cheryl.schell@mail.doc.gov).

#### April 9-16: Governor Taft Trade Mission to Germany

Call: Randy Hochstetter at Ohio's Int'l Trade Division (614)466-5017.

#### May 12-21: Medical Devices Trade Mission to Central Europe (Budapest, Prague, Warsaw).

Contact Valerie Barth (202) 482-3360 or [valerie\\_barth@ita.doc.gov](mailto:valerie_barth@ita.doc.gov).

#### June 3-7: ACE - Infrastructure Matchmaker Trade Delegation

(Madrid, Casablanca, Tangiers). Contact Sam Dhir (202) 482-4756 or [sam.dhir@mail.doc.gov](mailto:sam.dhir@mail.doc.gov).

#### Sept 30 - Oct 4: Electric Power Mission to Vietnam & Thailand

Call: Rachael Halpern (202) 482-4423.